

A RESOLUTION BY

TRANSPORTATION COMMITTEE

05- 12 -0688

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE A CONCESSIONS LEASE AGREEMENT WITH CNN AIRPORT NETWORK, A DIVISION OF TURNER PRIVATE NETWORKS, INC., AND AN AFFILIATE OF CABLE NEWS NETWORK, FOR FC-600400-7809, NETWORK NEWS BROADCAST SYSTEM, TO INSTALL, OPERATE, AND MAINTAIN A NETWORK NEWS BROADCAST SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") owns and operates Hartsfield-Jackson Atlanta International Airport ("Airport"); and

WHEREAS, the City did solicit proposals for FC-600400-7809, Network News Broadcast System, on behalf of the Department of Aviation ("DOA"); for a qualified communications firm to install and manage a first class network news broadcast system in order to provide the traveling public with news, information, and entertainment at the AIRPORT; and

WHEREAS, the Concession Lease Agreement for the premises will have an initial term of five (5) years; with an exclusive one (1) five (5) year renewal option that the City may exercise; and

WHEREAS, on September 15, 2004, the sole proponent, CNN Airport Network, submitted a proposal in response to the Request for Proposal ("RFP"); and

WHEREAS, CNN Airport Network's qualifications were reviewed and their technical proposal was evaluated and determined responsive to the RFP; and

WHEREAS, the Aviation General Manager and the Chief Procurement Officer have recommended that the Concession Lease Agreement for FC-600400-7809, Network News Broadcast System, be awarded to CNN Airport Network.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, that the Mayor or her designee be and hereby is authorized to award and execute a Concession Lease Agreement between the City of Atlanta and CNN Airport Network, for FC-600400-7809, Network News Broadcast System for a term of five (5) years with one (1) five (5) year renewal at the City's option.

BE IT FURTHER RESOLVED, that the City Attorney be and hereby is directed to prepare said Concession Lease Agreement for execution by the Mayor, to be approved as to form by the City Attorney.

BE IT FINALLY RESOLVED, that said lease agreement shall not become binding upon the City and the City shall incur no liability upon same until such Concession Lease Agreement has been executed by the Mayor or her designee and delivered to CNN Airport Network.

(DOP/CCB/3-21-05)

**Hartsfield Atlanta
International Airport**



**Shirley Franklin
Mayor**

**Benjamin R. DeCosta
Aviation General Manager**

DATE: February 24, 2005
TO: Adam L. Smith, Chief Procurement Officer
Department of Procurement
FROM: Benjamin R. DeCosta, General Manager
Department of Aviation *Ben*
SUBJECT: FC-600400 – Network News Broadcast-7809

Having successfully completed negotiations for the subject project, DOA is recommending award to the top-ranked proponent, CNN Airport Network News.

If additional information is required, please contact our Contract Services Unit at 404-209-3175, ext. 151.

xc: M. Diaz
E. Kaalund
K. Mastin
M. Coleman
M. Eady
A. Williams
G. Geeter
C. Brome
File

CITY OF ATLANTA
DEPT. OF PROCUREMENT
2005 MAR - 1
MAR 2 11:11





CITY OF ATLANTA

Shirley Franklin
MAYOR

OFFICE OF CONTRACT COMPLIANCE
55 TRINITY AVENUE, S.W., SUITE 1700
ATLANTA, GEORGIA 30335
OFFICE (404) 330 - 6010
FAX (404) 658-7359

MEMORANDUM

TO: Adam L. Smith, Chief Procurement Officer
Department of Procurement

FROM: Hubert Owens
Office of Contract Compliance

DATE: March 23, 2005

RE: Recommendation for FC# 6004007809 - Network News Broadcast System

The Office of Contract Compliance has evaluated the proposal for Disadvantaged Business Enterprise (DBE) participation. There was only one proponent. For your information, the following proponent has committed to utilizing DBEs as indicated below, and the percentages are expressed as a ratio of the proponents operating expenses:

CNN Airport Network		(15pts)
Landers Electriccal	DBE	20.0%
Participation Total		20.0%

If you have questions, please contact me at (404) 330-6010 or Larry Scott at (404) 330-6016.

cc: File
Girard Geeter, DOP
Clarissa Brome, DOP

CITY OF ATLANTA
DEPT. OF PROCUREMENT
2005 MAR 23 PM 2:30

**CLARISSA BROME
CONTRACTING OFFICER**

PROPOSAL RESULTS

PROJECT NAME:

NETWORK NEWS BROADCAST SYSTEM

[illegible]

**DEPARTMENT OF AVIATION
LEGISLATION SUMMARY**

TO: TRANSPORTATION COMMITTEE

CAPTION:

**A RESOLUTION AUTHORIZING THE MAYOR OR HER
DESIGNEE TO EXECUTE A CONCESSION LEASE
AGREEMENT WITH CNN AIRPORT NETWORK, A DIVISION
OF TURNER PRIVATE NETWORKS, INC., AND AN AFFILIATE
OF CABLE NEWS NETWORK, FOR FC-600400-7809, NETWORK
NEWS BROADCAST SYSTEM, TO INSTALL, OPERATE, AND
MAINTAIN A NETWORK NEWS BROADCAST SYSTEM AT
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL
AIRPORT; AND FOR OTHER PURPOSES.**

REQUESTING DEPT.:	Department of Aviation
CONTRACT TYPE	Concession Lease Agreement
SOURCE SELECTION	Sealed Proposals
BIDS/PROPOSALS DUE:	September 15, 2004
INVITATIONS ISSUED:	50
BIDS/PROPOSALS RECEIVED:	1
BIDDERS/PROPOSERS:	CNN AIRPORT NETWORK

BACKGROUND:

Since 1996, CNN Airport Network has delivered up-to-the-minute news and information to travelers at Hartsfield-Jackson Atlanta International Airport ("**Airport**"). CNN Airport operates in forty-two (42) airports throughout the United States, reaching 262 million travelers annually. The most current Request for Proposals ("**RFP**") was prepared and CNN Airport Network was the sole proponent to submit proposals for this project in September 2004. The Department of Aviation, the City's Finance Department, Risk Management and Office of Contract Compliance evaluated CNN Airport Network's proposal and determined it responsive to the RFP. CNN Airport Network shall pay the Airport on a quarterly basis the higher of: (i) (1/4) of \$100,000 Minimum Annual Guarantee ("**MAG**"), and (ii) the Airport's Proportionate Share of the Service Revenue Pool for the immediately preceding quarter ("**Percentage Fee**") in excess of the **MAG** paid. In addition, CNN Airport Network will invest an estimated \$1.6 million dollars in state of the art equipment to include an upgrade of the current monitors to large liquid crystal display ("**LCD**") flat panel screen monitors in the Airport.

SOURCE OF FUNDING:

Revenue Generating

TERM OF CONTRACT:

Five (5) years with one (1) five (5)-year renewal option

EVALUATION TEAM:

Aviation, Contract Compliance, The City Finance Department and Risk Management

Legislative White Paper

FC-600400 7809, NETWORK NEWS BROADCAST SYSTEM

Committee of Purview: Transportation

CAPTION: A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE A CONCESSION LEASE AGREEMENT WITH CNN AIRPORT NETWORK, A DIVISION OF TURNER PRIVATE NETWORKS, INC., AND AN AFFILIATE OF CABLE NEWS NETWORK, FOR FC-600400-7809, NETWORK NEWS BROADCAST SYSTEM; TO INSTALL, OPERATE, AND MAINTAIN A NETWORK NEWS BROADCAST SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT, AND FOR OTHER PURPOSES.

Council Meeting Date: May 2, 2005

Legislation Title: A RESOLUTION

Requesting Dept.: Department of Aviation

Contract Type: Professional Services

Source Selection: Sealed Proposals

Bids/Proposals Due: September 15, 2004

Invitations Issued: 50

**Number of Bids/
Proposals Received:** 1

Bidders/Proponents: CNN AIRPORT NETWORK

Justification Statement: The City of Atlanta solicited proposals for FC 600400-7809, **Network News Broadcast System**, on behalf of the Department of Aviation, for a qualified communications firm to install and manage a first-class network news broadcast system in order to provide the traveling public with news, information, and entertainment at the Airport.

Background: Since 1996, CNN Airport Network has delivered up-to-the-minute news and information to travelers at Hartsfield-Jackson Atlanta International Airport ("**Airport**"). CNN Airport operates in forty-two (42) airports throughout the United States, reaching 262 million travelers annually. The most current Request for Proposals ("**RFP**") was prepared and CNN Airport Network was the sole proponent to submit proposals for this project in September 2004. The **DOA**, the **CITY's** Finance Department, Risk Management

and Office of Contract Compliance evaluated CNN Airport Network's proposal and determined it responsive to the RFP. CNN Airport Network offered to pay the Airport \$100,000 Minimum Annual Guarantee ("MAG") and the Airport's Proportionate share of Service Pool Revenue for the immediately preceding quarter ("Percentage Fee") in excess of the MAG paid. In addition, CNN Airport Network proposed \$1.6 million dollars investment in state of the art equipment to include an upgrade of the current monitors to large liquid crystal display ("LCD") flat panel screen monitors in the Airport.

Fund Account Center:	Revenue Generating
Source of Funds:	N/A
Fiscal Impact:	N/A
Term of Contract:	Five (5) years with one (1) five-year renewal option
Method of Cost Recovery:	N/A
Approvals:	
DOF:	Yes
DOL:	Yes
Prepared By:	M. Coleman/C. Brome
Contact Number:	404 209 2061 OR x6379

TERM SHEET - CNN Airport Network
For FC-600400-7809

TENANT: CNN Airport Network is owned and operated by A.C. Holdings, Inc. a division of Turner Private Networks, Inc. and a wholly owned subsidiary of Turner Broadcasting System, Inc., Time Warner, Inc.

PREMISES: CNN Airport Network will install monitors and audio equipment in approximately 155 gate hold areas located through out the Airport. The programming format shall provide the traveling public with news, information and entertainment. During the term of the Agreement, new locations or gate hold areas may come available. The Aviation General Manager will negotiate with CNN Airport Network to operate in the new gate hold areas.

TERM: The Term of the agreement shall be five years from the date of the execution of the agreement by CNN Airport Network and the City (hereinafter "Commencement Date"). The agreement shall be subject to one five-year renewal at the option of the City, upon written notice to CNN Airport Network at least ninety (90) days prior to the end of the fifth year of the Term.

SERVICE:

PROGRAMMING FORMAT: The programming content shall include, but not be limited to, the following: News, Sports, Entertainment, Fashion, Business, Travel, Education, and Weather.

DOA PROGRAMMING: CNN Airport Network shall assign to the DOA (5) 60 second breaks per available hour. This airtime will be used to promote the local area, the Airport, the DOA or sell to advertisers.

HOURS OF OPERATION: CNN Airport Network must, at minimum, air between 5:00 a.m. and midnight at the Airport seven (7) days per week, 365 days per year.

EQUIPMENT INSTALLATION AND MAINTENANCE: CNN Airport Network shall be solely responsible for the installation and maintenance of all equipment necessary for the operation of the network news broadcast system. Equipment maintenance service hours are based on 24 hours a day, 7 days a week operation, including holidays. Any equipment requiring maintenance will be repaired or replaced within forty-eight hours of reported problem. **Audio Delivery System:** Audio equipment shall have the technology to create adequate areas of quiet space, adjust appropriately to noise levels in the Airport, and turn off during Airport announcements. **DOA Equipment:** CNN Airport Network shall install a TV Monitor and cable connection or PC live link to network programming for the Aviation General Manager, Deputy General Manager, and other positions as designated by the Aviation General Manager.

CUSTOMER SERVICE: CNN Airport Network understands and agrees its operation is a service to the airline passengers and Airport users, and it shall conduct its operation in a first class, businesslike, efficient, courteous and accommodating manner.

RENTAL PAYMENT

For the rights and privileges granted by the agreement, CNN Airport Network agrees to pay fees, rents and charges as follows:

1. CNN Airport Network shall pay the Airport on a quarterly basis the higher of: (1.) (1/4) of \$100,000 Minimum Annual Guarantee ("MAG") and (2.) the Airport's Proportionate Share of the Service Revenue Pool for the immediately preceding quarter ("Percentage Fee") in excess of the MAG paid.
2. The Airport's "Proportionate Share" for any given calendar quarter shall mean a fraction, the numerator of which shall be the Total Opportunity Viewers at the Airport during a quarter, and the denominator of which shall be the aggregate number of Total Opportunity Viewers at all buildings in all Airports that receive service from CNN Airport Network, during such same calendar quarter.
3. Service Revenue shall mean gross advertising revenue from the sale of Third Party units airing in a given quarter, less the applicable advertising agency commission fees and monies refunded by CNN Airport Network to advertisers and/or agencies with respect to the Third Party Units, plus any subscription or other fees or revenues payable to CNN Airport Network for or in connection with the Service.
4. Method of Payment: Within thirty (30) days of the beginning of each calendar quarter, CNN Airport Network shall deliver payment of the MAG to the City. In addition, each calendar quarter CNN Airport Network shall calculate the Percentage Fee Payment payable to the Airport for the immediately preceding calendar quarter 30 days after the end of the quarter. If the Percentage Fee Payment for the prior quarter exceeds the MAG previously paid to the Airport for that quarter, CNN Airport Network shall pay the Airport the difference within 30 days after the end of the quarter.

IMPROVEMENTS: All costs for building improvement repairs, equipment, and maintenance, during the term of the Agreement, shall be the CNN Airport Network's sole responsibility. Within the first one hundred eighty (180) day period following the Commencement Date, CNN Airport Network shall complete all renovations and build-out of all locations, including all construction inspections and issuance of all certificates of occupancy/beneficial use. CNN Airport Network shall be ready to

offer services to the public 180 days after the Commencement Date. Notwithstanding the renovation and build-out work to be performed, during the 180-day period, CNN Airport Network shall pay rent during that period as set forth in the agreement. CNN Airport Network will install an estimated \$1.6 million dollars in new equipment at the Airport.